Independent claim 17 is directed to a method for delivering advertisements to subscribers in advance of presentation of the advertisements to the subscribers. The method includes transmitting advertisements to subscribers over an advertisement channel. The advertisements are transmitted at a bandwidth that is less then the bandwidth required to present the advertisements in real time. Accordingly the advertisements are transmitted in advance of presentation of the advertisements to the subscribers and are stored in a storage medium.

It is submitted that none of the cited references, whether taken alone or in combination with one another, disclose or suggest transmitting advertisements in advance of presentation of the advertisements at a bandwidth that is less then the bandwidth required to present the advertisements in real time and storing the advertisements, as required by claim 17.

To the contrary, *Hendicks et al. ('364)* is directed to a system for monitoring subscriber interactions in order to organize the subscribers programming choices (i.e., in an electronic program guide) and to provide targeted advertising to the subscribers. According to one embodiment (additional bandwidth method), the advertisements are selected for each subscriber and then transmitted directly to each subscriber. According to one embodiment (multiple channel method) several advertisement streams are created and sent as advertisement channels with the subscribers STB switching to the appropriate advertisement channel during the advertisement break. According to one embodiment (split screen method), multiple advertisements are sent in a single channel and the STB selects (i.e., masking or scaling) the appropriate advertisement. As clearly disclosed in each of these embodiments (described at col. 37, line 21 – col. 38, line 29) *Hendicks et al. ('364)* transmits advertisements in real time with no storage on the STB. As further evidence that *Hendicks et al. ('364)* do not disclose or suggest (and actually teaches away from) transmitting advertisements in advance at a lower bit rate or storing the ads, *Hendicks et al. ('364)* disclose that the bandwidth of the system limits the number of commercials available at the STB at any given time (see col. 36, lines 24-30).

Hendicks et al. ('083) discloses a system that like *Hendicks et al. ('364)* delivers advertisements on separate channels and has the STB switch to the advertisement channel at the appropriate point (see Abstract). There is clearly no disclosure (or suggestion) in either reference

of delivering the advertisements in advance at a bit rate lower than the bite rate required to present the advertisements, and storing the advertisements, as required by claim 17. For at least the reasons described above, claim 17 is submitted to be patentable over the cited references, whether taken alone or in combination with one another. Claims 18-26 depend from claim 17 and are therefore submitted to be patentable over the cited references for at least the reasons described above with respect to claim 17 and for the further features recited therein.

For example, claim 24 recites that advertisements are transmitted at a variable bit rate that changes over time according to the amount of bandwidth available. Applicant submits that neither *Hendicks et al. ('364)* nor *Hendicks et al. ('083)* disclose (or suggest) a variable bit rate advertisement channel, as required by claim 24.

On pages 2/3 of the Office Action with respect to claims 10 and 11, the Examiner contends that *Hendicks et al. ('364)* disclose "the ad channel with its bandwidth can be constant or vary based on the size of the ad contents, some ads can be constant such as 30 seconds, or 15 min, some ad with programs can be one, two hours or more (see Fig. 20a, 20b; and col. 34/lines 40-47 & col. 36/lines 24-57 & Fig. 10B for response message containing variable bit channel format)". The Applicant submits that the Examiners contention is clearly erroneous, as the fact that the ads are differing length (and likely require different bandwidth) has nothing to do with varying the bandwidth available for the transmission of the advertisements according to how much bandwidth is available in the system. With respect to Figs. 20a and 20b, Applicant submits that this is just an indication of what frequency (channel) the different advertisements will be transmitted at and that there is an available bandwidth allotted for transmitting the ads in real time, and has nothing to do with transmitting an ad channel at a variable rate bandwidth that is dictated by the bandwidth available in the system. With respect to Fig. 10b, Applicant submits that this is an upstream channel (from STB to HE) having a variable length program access block, and has nothing to do with a downstream ad channel being transmitted at a variable rate bandwidth that is dictated by the bandwidth available in the system. It is submitted that claim 24 is patentable over the cited references for at least this additional reason.

Independent claim 27 is directed to a system for delivering advertisements to subscribers in advance of presentation of the advertisements to the subscribers. The system includes a transmitter for transmitting the advertisements to the subscribers over an advertisement channel, wherein the advertisements are transmitted at a bandwidth that is less then the bandwidth required to present the advertisements in real time, and are accordingly transmitted in advance of presentation of the advertisements to the subscribers. A storage medium stores the advertisements. A display device interface allows the advertisements to be presented to the subscribers.

It is submitted that none of the cited references, whether taken alone or in combination with one another, disclose or suggest a transmitter transmitting advertisements in advance of presentation of the advertisements at a bandwidth that is less then the bandwidth required to present the advertisements in real time or a storage medium for storing the advertisements, as required by claim 27. It is submitted that claim 27 is patentable over the cited references, whether taken alone or in combination with one another for at least reasons similar to those described above with respect to claim 17. Claims 28-31 depend from claim 27 and are therefore submitted to be patentable over the cited references for at least the reasons described above with respect to claim 27 and for the further features recited therein.

Independent claim 32 is directed to a method for delivering advertisements to subscribers in advance of presentation of the advertisements to the subscribers. The method includes forming a subgroup of subscribers that share one or more common subscriber characteristics. Targeted advertisements are selected to be transmitted to the subgroup. The targeted advertisements are transmitted to the subgroup over an advertisement channel, wherein the targeted advertisements are transmitted in advance of presentation of the targeted advertisements to the subscribers. The targeted advertisements are stored in a storage medium.

It is submitted that none of the cited references, whether taken alone or in combination with one another, disclose or suggest a transmitting advertisements in advance of presentation of the advertisements or storing the advertisements, as required by claim 32. It is submitted that claim 32 is patentable over the cited references for at least reasons similar to those described

above with respect to claim 17. Claims 33-36 depend from claim 31 and are therefore submitted to be patentable over the cited references for at least the reasons described above with respect to claim 31 and for the further features recited therein.

Conclusion

For the foregoing reasons, Applicant respectfully submits that claims 17-36 are in condition for allowance. Accordingly, early allowance of claims 17-36 is earnestly solicited.

If the Examiner believes that a conference would be of value in expediting the prosecution of this Application, the Examiner is hereby invited to contact the undersigned attorney to set up such a conference.

Respectfully submitted,

Date: 1/3/03

Douglas J. Ryder, Esquire
Reg. No. 43,073

300 North Broad Street
Doylestown, PA 18901
Phone: (215) 340-6900 (x107)
Fax: (215) 340-0827
Email: dryder@ryderiplaw.com

Claims

What is claimed:

17. In a television network environment consisting of a display device and a storage medium, a method for delivering advertisements to subscribers in advance of presentation of the advertisements to the subscribers, the method comprising:

transmitting advertisements to subscribers over an advertisement channel, wherein the advertisements are transmitted at a bandwidth that is less then the bandwidth required to present the advertisements in real time, and are accordingly transmitted in advance of presentation of the advertisements to the subscribers; and

storing the advertisements in a storage medium.

18. The method of claim 17, further comprising selecting targeted advertisements to be transmitted to the subscribers, wherein said transmitting includes transmitting the targeted advertisements.

19. The method of claim 18, wherein the targeted advertisements are selected for the subscribers based on subscriber characteristics.

20. The method of claim 19, wherein the subscriber characteristics include at least some subset of demographics attributes, geographic attributes, psychological attributes, and viewing attributes.

21. The method of claim 17, further comprising forming subgroups of subscribers that share one or more common subscriber characteristics, wherein said transmitting includes transmitting the advertisements to the subgroups.

22. The method of claim 21, further comprising selecting targeted advertisements for the subgroups wherein said transmitting includes transmitting the targeted advertisements to the subgroups.

23. The method of claim 17, wherein said transmitting includes transmitting the advertisement channel at a constant bit rate.

24. The method of claim 17, wherein said transmitting includes transmitting the advertisement channel at a variable bit rate that changes over time according to amount of bandwidth available for the advertisement channel.

25. The method of claim 24, wherein the amount of bandwidth available for the advertisement channel is determined by subtracting amount of bandwidth used by the television network from total bandwidth of the television network.

26. The method of claim 25, wherein the amount of bandwidth used by the television network includes bandwidth for transmitting programming channels.

27. A system for delivering advertisements to subscribers in advance of presentation of the advertisements to the subscribers, the system comprising:

a transmitter for transmitting the advertisements to the subscribers over an advertisement channel, wherein the advertisements are transmitted at a bandwidth that is less then the bandwidth required to present the advertisements in real time, and are accordingly transmitted in advance of presentation of the advertisements to the subscribers;

a storage medium for storing the advertisements; and

a display device interface for allowing the advertisements to be presented to the subscriber.

28. The system of claim 27, further comprising an advertisement selector for selecting targeted advertisements to be transmitted to the subscribers.

29. The system of claim 27, further comprising a subgroup creator for forming a subgroup of subscribers for transmitting the advertisement channel to, wherein the subscribers within the subgroup have at least one subscriber characteristic in common.

30. The system of claim 27, wherein said transmitter transmits the advertisement channel at a constant bit rate.

31. The system of claim 27, wherein said transmitter is capable of monitoring available bandwidth and statistically varies rate of transmission of the advertisements based on the available bandwidth.

32. In a television network environment consisting of a display device and a storage medium, a method for delivering advertisements to subscribers in advance of presentation of the advertisements to the subscribers, the method comprising:

forming a subgroup of subscribers that share one or more common subscriber characteristics;

selecting targeted advertisements to be transmitted to the subgroup;

transmitting the targeted advertisements to the subgroup over an advertisement channel, wherein the targeted advertisements are transmitted in advance of presentation of the targeted advertisements to the subscribers; and

storing the targeted advertisements in a storage medium.

33. The method of claim 32, wherein said transmitting includes transmitting the targeted advertisements at a bandwidth that is less then the bandwidth required to present the targeted advertisements in real time.

34. The method of claim 32, wherein said transmitting includes transmitting the targeted advertisements at a variable bit rate, wherein the bite rate changes over time according to amount of bandwidth available for the advertisement channel.

35. The method of claim 32, wherein said transmitting includes transmitting the advertisements off-peak.

36. The method of claim 32, wherein said selecting includes selecting the targeted advertisements based on subscriber characteristics that include at least some subset of demographics attributes, geographic attributes, psychological attributes, and viewing attributes.--